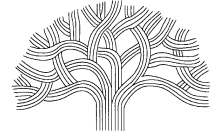


CITY OF OAKLAND



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Planning and Building Department
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May 3, 2021,

Adrian Moore
Fisher Construction Group, Inc.
625 Fisher Lane
Burlington, WA 98233
ajm@fisherco.com

Alexis Pelosi
Pelosi Law Group
12 Geary Street, 8th Floor
San Francisco, CA 94108
alexis@pelosilawgroup.com

RE: Appeal/Waiver of Oakland Municipal Code (OMC) Chapter 15.68 - Jobs/Housing Impact Fee for 1300 Maritime Avenue (APN: 018 050700108) (Building Permit B1901472)

Dear Mr. Moore and Attorney Pelosi:

The City Impact Fee Review Board has reviewed the information you submitted for the project located at 1300 Maritime Avenue under Oakland Municipal Code (OMC) Section 15.68.070 for reduction and exceptions of the Jobs/Housing Impact Fee and has determined: 1) that the project does not qualify for a reduction in impact fee, and 2) that the project is subject to the current Jobs/Housing Impact Fee of \$5.90 per square foot.

The Commercial Development Linkage Fee Analysis for the Jobs/Housing Impact Fee determined the justified fee amount for Warehouse/Distribution to be \$12.85 per square foot. This justified fee was based upon one employee for every 1,000-square foot of development. Given that the development is approximately 463,664 square feet, this would be an equivalent of 463 employees. Therefore, the City is using that number to calculate the Jobs/Housing Impact Fee. Fee reductions are based on the maximum justifiable fee, which was conservatively calculated by the 2001 Commercial Development Linkage Fee Analysis (“Nexus Study”) at \$12.85 per square foot of warehouse development.

The City did receive documentation, which stated that employee wages are required to be in alignment with the City’s Living Wage Ordinance (LWO), and that at least 50% of the employees be current Oakland residents. However, the wages required under the LWO are not means tested. The City’s Living Wage Ordinance is, in effect, a minimum wage and, as such, cannot be expected to sustain households of all sizes and at all levels of need. For example, the City’s 2021 LWO requires a minimum wage of \$14.36 per hour. A person working a forty-hour week, for fifty-two weeks a year would earn a total of \$29,868.80 annually. [This would place a one-person household at less than 35% of area median income \(extremely low income\) as calculated by the U.S. Department of Housing and Urban Development \(US HUD\) income levels for the City of Oakland.](#) An existing Oakland resident, earning this wage would be employed, but by US HUD standards would still be extremely low-income, and could in effect be housing insecure, and at risk of homelessness or displacement.

Furthermore, the nexus study that was prepared for the Jobs/Housing Impact Fee considered the possibility that new hires in a development might be local and still calculated the justifiable impact fee based on all new employees, even if some are local. The nexus study reasoned that if local hires have relocated from other buildings, they will have vacated spaces somewhere else so that new employees in the chain would need to move to Oakland. Therefore, the local hire requirement does not change the calculations of the justifiable impact fee in the nexus study.

The original Jobs/Housing Impact Fee started on July 1, 2006 and was set at \$4.00 per square foot, and 25,000 square feet from the total square footage of the project is exempt from the fee. The \$4.00 per square foot has increased since 2006 based on the increase in the residential building cost index published by Marshall and Swift to \$5.90 per square foot in 2020, which is an increase of 47.5%. Therefore, the justified fee has gone up by 47.5% since 2006 for a justified fee of \$18.95 per square foot ($\$12.85 \times 1.475 = \18.95) in 2020.

The Impact Fee Review Board has determined that even with adherence to the City's LWO and with 50% local hire requirements, the current adopted impact fee is necessary to offset the demands for affordable housing to the new employees. Even if a 50% reduction were applied, as requested, this would be 50% of the maximum justified fee, adjusted for inflation (\$18.95), and would still exceed the adopted fee.

According to building permit **B1901472**, the facility is 463,664 square feet; therefore, the calculation for the Jobs/Housing Impact Fee is: (number of gross square feet in the development project devoted to office or warehouse/distribution uses minus 25,000 square feet) \times \$5.90.

So, the total recommended fee amount due for the Jobs/Housing Impact Fee is: $[(463,664 - 25,000) = 438,664] \times \$5.90 = \$2,588,117.60$.

Any person, including the applicant, may appeal a final decision on the Impact Fee Review Board to the City Council. Any request for an appeal must be submitted to the City in writing no later than ten calendar days after the final decision of the Impact Review Board is released.

Sincerely,

The Impact Fee Review Board

William Gilchrist

William A. Gilchrist
Director, Planning and Building Department

Shola Olatoye

Shola Olatoye
Director, Housing and Community Development Department

Alexa Jeffress

Alexa Jeffress
Director, Economic and Workforce Development Department

Cc: Ed Reiskin, City Administrator
Angela Robinson Pinon, Assistant Director, Planning & Building Department
Christina Mun, Assistant to the Director, Housing & Community Development
Tim Low, Acting Building Official
Diana Rex, Administrative Services Manager II












1300 Maritime St

Final Audit Report

2021-05-10

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